THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) SEBI has informed that some depository participants (DPs), stock broking firms and banks were involved in irregularities relating to IPOs made during 2003—05. Some DPs had opened demat accounts without adhering to 'know your client' norms prescribed by SEBI. This facilitated opening of demat accounts in fictitious and benami names and these accounts were used for applying in IPOs and cornering of shares.

(c) and (d) Based on investigations, SEBI has passed an interim order on April 27, 2006 restraining the entities (24 key operators and 85 financers) responsible for the irregularity from dealing in securities market. It has also directed two DPs not to carry on the activities as DP. Based on investigations, RBI has imposed penalties on nine banks.

(e) and (f) SEBI has informed that it has not revised its order. However, it has held a portion of order in abeyance pending verification of claims made by certain entities.

Recommendations of Fifth Central Pay Commission

4011. SHRI S.S. AHLUWALIA: Will the Minister of FINANCE be pleased to state:

(a) whether recommendations of the Fifth Pay Commission included reduction in number of personnel;

(b) if so, the details thereof;

(c) the details of reduction achieved in each category, year-wise and grade of personnel so far;

(d) the details of the sanctioned strength *vis-a-vis* total number of employees as on 1st April, 1998, 2003, 2004 and 2005;

(e) whether fresh recruitment in various non-gazetted categories are stopped completely;

(f) if so, the details thereof; and

(g) findings of review carried out, if any, of the status of implementation of the FPC recommendations about reduction in number of employees.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Yes, Sir.

(b) Fifth pay Commission in chapter 27 of the report had made recommendations relating to reduction in number of personnel. These recommendations of the Fifth CPC were not accepted by the Government.

(c) to (g) The question does not arise in view of reply to part (b) of the question.

Banking principles and policies based on Islamic lines

4012. SHRI S.M. LALJAN BASHA. Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Reserve Bank of India has evolved banking principles and policies along Islamic lines;

(b) if so, what are the financial products which RBI has approved which fits into traditional Islamic banking principles,

(c) whether RBI held any consultations in this regard; and

(d) the details of such consultations done by RBI?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (c) No, Sir.

(b) and (d) Do not arise.